

**Office of the Comptroller of the Currency****FEDERAL RESERVE SYSTEM****FEDERAL DEPOSIT INSURANCE CORPORATION****Proposed Agency Information Collection Activities: Comment Request**

AGENCY: Office of the Comptroller of the Currency (OCC), Treasury; Board of Governors of the Federal Reserve System (Board); and Federal Deposit Insurance Corporation (FDIC).

ACTION: Joint notice and request for comment.

SUMMARY: In accordance with the requirements of the Paperwork Reduction Act of 1995 (PRA), the OCC, the Board, and the FDIC (the agencies) may not conduct or sponsor, and the respondent is not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number. The Federal Financial Institutions Examination Council (FFIEC), of which the agencies are members, has approved the agencies' publication for public comment of a proposal to revise and extend the Country Exposure Report (FFIEC 009) and the Country Exposure Information Report (FFIEC 009a), which are currently approved collections of information. The revisions to the FFIEC 009 and the FFIEC 009a are proposed to take effect as of the December 31, 2022, report date. At the end of the comment period for this notice, the FFIEC and the agencies will review any comments received to determine whether to modify the proposal in response to comments. As required by the PRA, the agencies will then publish a second Federal Register notice for a 30-day comment period and submit the final FFIEC 009 and FFIEC 009a to OMB for review and approval.

DATES: Comments must be submitted on or before [INSERT DATE 60 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER.]

ADDRESSES: Interested parties are invited to submit written comments to any or all of the agencies. All comments, which should refer to the OMB control number(s), will be shared among the agencies.

OCC: You may submit comments, which should refer to “FFIEC 009 and FFIEC 009a,” by any of the following methods:

- E-mail: prainfo@occ.treas.gov.
- Mail: Chief Counsel’s Office, Office of the Comptroller of the Currency, Attention: 1557-0100, 400 7th Street, SW., suite 3E-218, Washington, DC 20219.
- Hand Delivery/Courier: 400 7th Street, SW., suite 3E-218, Washington, DC 20219.

Instructions: You must include “OCC” as the agency name and “1557-0100” in your comment. In general, the OCC will publish comments on www.reginfo.gov without change, including any business or personal information provided, such as name and address information, e-mail addresses, or phone numbers. Comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not include any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

You may review comments and other related materials that pertain to this information collection beginning on the date of publication of the second notice for this collection by any of the following methods:

- Viewing Comments Electronically: Go to www.reginfo.gov. Click on the “Information Collection Review” tab. Underneath the “Currently under Review” section heading, from the drop-down menu select “Department of Treasury” and then click “submit”. This information collection can be located by searching by OMB control number “1557-0100” or “FFIEC 009 and FFIEC 009a”. Upon finding the appropriate information collection, click on the related “ICR Reference Number.” On the next screen, select “View Supporting Statement and Other Documents” and then click on the link to any comment listed at the bottom of the screen.
- For assistance in navigating www.reginfo.gov, please contact the Regulatory Information Service Center at (202) 482-7340.

Board: You may submit comments, which should refer to “FFIEC 009 and FFIEC 009a,” by any of the following methods:

- Agency website: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at: <http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm>.
- Email: regs.comments@federalreserve.gov. Include “FFIEC 009 and FFIEC 009a” in the subject line of the message.
- Fax: (202) 452-3819 or (202) 452-3102.
- Mail: Ann E. Misback, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW., Washington, DC 20551.

All public comments are available on the Board’s website at <https://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information.

FDIC: You may submit comments, which should refer to “FFIEC 009 and FFIEC 009a,” by any of the following methods:

- Agency website: <https://www.fdic.gov/regulations/laws/federal/>. Follow the instructions for submitting comments on the FDIC’s website.
- Federal eRulemaking Portal: <https://www.regulations.gov>. Follow the instructions for submitting comments.
- Email: comments@FDIC.gov. Include “FFIEC 009 and FFIEC 009a” in the subject line of the message.
- Mail: Manuel E. Cabeza, Counsel, Attn: Comments, Room MB-3007, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429.

- Hand Delivery: Comments may be hand delivered to the guard station at the rear of the 550 17th Street Building (located on F Street) on business days between 7:00 a.m. and 5:00 p.m.

Public Inspection: All comments received will be posted without change to <https://www.fdic.gov/regulations/laws/federal/> including any personal information provided. Paper copies of public comments may be requested from the FDIC Public Information Center by telephone at (877) 275-3342 or (703) 562-2200.

Additionally, commenters may send a copy of their comments to the OMB desk officers for the agencies by mail to the Office of Information and Regulatory Affairs, U.S. Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW., Washington, DC 20503; by fax to (202) 395-6974; or by email to oir_submission@omb.eop.gov.

FOR FURTHER INFORMATION CONTACT: For further information about the information collections discussed in this notice, please contact any of the agency staff whose names appear below. In addition, copies of the FFIEC 009 and FFIEC 009a reporting forms can be obtained at the FFIEC's website (https://www.ffiec.gov/ffiec_report_forms.htm).

OCC: Kevin Korzeniewski, Counsel, Chief Counsel's Office, (202) 649-5490, or for persons who are hearing impaired, TTY, (202) 649-5597.

Board: Nuha Elmaghrabi, Federal Reserve Board Clearance Officer, (202) 452-3884, Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, 20th and C Streets, NW., Washington, DC 20551. Telecommunications Device for the Deaf (TDD) users may call (202) 263-4869.

FDIC: Manuel E. Cabeza, Counsel, (202) 898-3767, Legal Division, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429.

SUPPLEMENTARY INFORMATION: The agencies are proposing to extend for three years, with revision, the FFIEC 009 and FFIEC 009a, which are currently approved collections of information for each agency.

Report Titles: Country Exposure Report and Country Exposure Information Report.

Form Numbers: FFIEC 009 and FFIEC 009a.

Frequency of Response: Quarterly.

Affected Public: Business or other for profit.

OCC

OMB Number: 1557-0100.

Estimated Number of Respondents: 10 (FFIEC 009), 4 (FFIEC 009a).

Estimated Average Time per Response: 135 hours (FFIEC 009), 6.5 hours (FFIEC 009a).

Estimated Total Annual Burden: 5,400 hours (FFIEC 009), 104 hours (FFIEC 009a).

Board

OMB Number: 7100-0035.

Estimated Number of Respondents: 49 (FFIEC 009), 36 (FFIEC 009a).

Estimated Average Time per Response: 135 hours (FFIEC 009), 6.5 hours (FFIEC 009a).

Estimated Total Annual Burden: 26,460 hours (FFIEC 009), 936 hours (FFIEC 009a).

FDIC

OMB Number: 3064-0017.

Estimated Number of Respondents: 13 (FFIEC 009), 8 (FFIEC 009a).

Estimated Average Time per Response: 135 hours (FFIEC 009), 6.5 hours (FFIEC 009a).

Estimated Total Annual Burden: 7,020 hours (FFIEC 009), 208 hours (FFIEC 009a).

I. General Description of Reports

The Country Exposure Report (FFIEC 009) is filed quarterly with the agencies and provides information on international claims of U.S. banks, savings associations, Edge and/or Agreement corporations, bank holding companies, savings and loan holding companies, and U.S.

intermediate holding companies of foreign banking organizations (collectively, U.S. banking organizations) that is used for supervisory and analytical purposes. The information is used to monitor the foreign country exposures of reporting institutions to determine the degree of risk in their portfolios and assess the potential risk of loss. The Country Exposure Information Report (FFIEC 009a) is a supplement to the FFIEC 009 and provides publicly available information on material foreign country exposures (i.e., all exposures to a foreign country in excess of 1 percent of total assets or 20 percent of total capital, whichever is less) of U.S. banking organizations that file the FFIEC 009 report. As part of the FFIEC 009a, reporting institutions also must furnish a list of countries in which they have lending exposures above 0.75 percent of total assets or 15 percent of total capital, whichever is less.

Legal Basis and Need for Collection

These information collections are mandatory under the following statutes: 12 U.S.C. 161 and 1817 (national banks), 12 U.S.C. 1464 (federal savings associations), 12 U.S.C. 248(a)(1) and (2), 1844(c), and 3906 (state member banks and bank holding companies); 12 U.S.C. 1467a(b)(2)(A) (savings and loan holding companies); 12 U.S.C. 5365(a) (intermediate holding companies); and 12 U.S.C. 1817 and 1820 (insured state nonmember commercial and savings banks and insured state savings associations). The FFIEC 009 information collection is given confidential treatment (5 U.S.C. 552(b)(4) and (b)(8)). The FFIEC 009a information collection is not given confidential treatment.

II. Current Actions

The FFIEC has approved issuing for public comment a proposal to revise and extend for three years the FFIEC 009 and 009a. The agencies propose the following revisions to the FFIEC 009 and 009a:

A. Change from Ultimate Risk to Guarantor Basis in the FFIEC 009

The FFIEC 009 requires respondents to report their international claims based on the country of residence of the counterparty and, additionally, to redistribute these immediate-

counterparty claims to provide the country of residence of the guarantors or collateral of the claims. This redistribution is termed “Ultimate Risk Basis;” however, the redistribution specified in the current FFIEC 009 instructions does not always identify the ultimate bearer of risk but does identify the country of a guarantor. The term “Guarantor Basis” more accurately describes what is being collected. Therefore, the agencies propose to rename the “Ultimate Risk Basis” columns on the FFIEC 009 to “Guarantor Basis” and make corresponding changes to the instructions. The agencies do not consider this modification to be substantive. However, the agencies have included the modification in this notice to ensure institutions are aware that the data currently collected in these columns are not impacted by the change in the names of the columns.

B. Addition of Two New Collateral Columns to the FFIEC 009

The 2013 revision of the FFIEC 009 report introduced memorandum items on collateral pledged against claims that is not eligible for risk transfer treatment as defined in the report instructions. The items were introduced to help “users to better assess net risks based on their own assumptions about the benefits of the collateral,” and were also intended to “produce greater insight into reporting institutions’ own internal calculations of foreign country exposure, which typically take collateral into account.”¹ This information is especially useful for certain claims such as reverse repurchase agreements and other securities financing transactions reported on a direct counterparty basis. However, while the FFIEC 009 and FFIEC 009a collect information regarding the amount of collateral that originates in the same country as the direct counterparty, the reports do not record the source of collateral if it has other origins, be it the United States (U.S.) or any other countries. This limits the ability of users to assess the extent to which collateral mitigates risk because the mitigation could be greater (e.g., if the collateral originates in the U.S.), or less (if the collateral originates in a lower-rated third country) than the risk mitigation provided by collateral from the same

¹ 78 FR 6176, 6179 (January 29, 2013).

country as the direct counterparty. This could also affect the ability of the FFIEC agencies to monitor U.S. bank exposures to high-risk countries.²

As of September 30, 2021, the FFIEC 009 reports included \$1.039 trillion in collateral supporting claims not eligible for risk transfer. Some \$607 billion of this collateral originated outside of the country of the direct counterparty, equivalent to 13.2 percent of all U.S. banking organizations' direct outstanding claims. Furthermore, \$152 billion of the \$607 billion of collateral involved claims against counterparties domiciled in the Cayman Islands, representing 29 percent of direct outstanding claims to that jurisdiction. Other countries where collateral against claims not eligible for risk transfer and not originating in the same country exceeded \$25 billion, or 15 percent of direct outstanding claims, included, but not limited to, France, Japan, Canada, the United Kingdom, Germany, Singapore, South Korea, Ireland and Luxembourg.

The agencies propose adding two new columns to the FFIEC 009, Schedule C, Part II, Claims on an Ultimate Risk Basis and Memorandum Items, under "Collateral Held Against Claims With No Risk Transfer." The title of the first additional column would be: "Of Which U.S.," which would be inserted after the column titled "Of Which, Same Country." This new column would show the amount of collateral that consists of U.S. Treasury securities or other securities issued by the U.S. The title of the second new column would be: "Of Which Resale and Reverse Repurchase Agreements and Securities Lending (Collateral)." This column would duplicate the existing column that reports collateral for financing and securities lending based on the country of the counterparty (currently column 16) but would reallocate amounts based on the country in which the collateral was issued. Together, these two new columns, along with column 16, would help provide a more complete view of the origin of collateral and its value as a risk mitigant. This proposed change to the FFIEC 009 would improve

² For example, in 1979, the OCC, FDIC and Board established the Interagency Country Exposure Review Committee to ensure consistent treatment of the transfer risk associated with banks' foreign exposures to both public- and private-sector entities. See <https://www.fdic.gov/regulations/safety/guide/icerc.pdf>.

information on the origin of the underlying securities acting as collateral for claims with no risk transfer.

C. Adjustment of Reporting Thresholds on the FFIEC 009a

The current FFIEC 009a form consists of two parts, Part A and Part B. Part A requires detailed information on total exposures to any foreign country in excess of 1 percent of the institution's total assets or 20 percent of the institution's total capital, whichever is less. Part B requires only the country name for exposures to any foreign country in excess of 0.75 percent of the institution's total assets or 15 percent of the institution's total capital, whichever is less, and is not listed in Part A.

The current format of Part B of the FFIEC 009a (i.e., a list of country names) and the difference in level of detail between Part A and Part B reporting requirements have caused confusion and errors for reporting institutions. In addition, the more limited detail available in Part B reporting makes this portion of the report much less useful than the more granular reporting in Part A. Therefore, the agencies propose to eliminate Part B of the FFIEC 009a and expand the scope for reporting the more granular information currently in Part A. Under the proposed scope, reporting institutions would have to report more granular exposure information for each foreign country that exceeds the lesser of 0.75 percent of total assets or 15 percent of total capital, which is the current Part B threshold. Revising the scope to provide additional reporting granularity to the public should result in negligible additional burden for reporting institutions because similar granularity is already being reported in the FFIEC 009.

Based on recent reporting, the proposed change is expected to provide more granular disclosure for over \$200 billion in additional foreign claims, mostly by global systemically important banking organizations.³ Additionally, the agencies expect a limited impact to reporting institutions, as approximately one-third of reporting institutions will have no

³ As defined in 12 CFR 252.2.

additional countries to report, about one-third of reporting institutions will provide more detail for one additional country, and the remaining reporting institutions will provide more detail for an average of an additional two countries each.

D. Addition of Immediate-Counterparty Claims Columns to FFIEC 009a

The FFIEC 009a data provide important market transparency and comparability data regarding banking organizations' foreign claims. The agencies propose to enhance its effectiveness by adding key information on an immediate-counterparty basis. The current format of the FFIEC 009a concentrates primarily on guarantor basis (currently labelled Ultimate Risk Basis) claims. Guarantor basis information can be somewhat opaque to the public and generally reflects an implicit assumption of full substitutability between claims exposure and offsets such as credit derivatives or collateral.

The agencies propose to add six columns of information that report immediate-counterparty claims:

- One new column for Amount of Cross-Border Claims Outstanding (Excluding Derivative Products)
- One new column for Amount of Foreign Office Claims on Local Residents (Excluding Derivative Products)
- Four new columns for Distribution of Amount of Cross-Border Claims across counterparty sector, that is, Banks, Public, Non-Bank Financial Institutions (NBFIs) and Other.

These new columns would parallel the existing Part A, columns (1), (2) and (6)-(9) except they would be reported on an immediate-counterparty basis rather than a guarantor basis. The agencies would retain the existing Guarantor Basis columns.

E. Change in Burden

Collectively, the agencies expect the proposed changes would result in an increase in burden per submission of the FFIEC 009 of 4 hours, from 131 hours to 135 hours. This change in burden is primarily due to the proposed changes to add two new collateral columns. Since the proposed revisions to the FFIEC 009a reflect disclosures of data already collected, but not currently disclosed, on the FFIEC 009, the agencies expect that the burden per submission of the FFIEC 009a would increase by 0.5 hours, from 6 hours to 6.5 hours.

III. Request for Comment

Public comment is requested on all aspects of this notice. Comment is also specifically invited on:

- (a) Whether the information collections are necessary for the proper performance of the agencies' functions, including whether the information has practical utility;
- (b) The accuracy of the agencies' estimates of the burden of the information collections, including the validity of the methodology and assumptions used;
- (c) Ways to enhance the quality, utility, and clarity of the information to be collected;
- (d) Ways to minimize the burden of information collections on respondents, including through the use of automated collection techniques or other forms of information technology; and
- (e) Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Comments submitted in response to this joint notice will be shared among the agencies. All comments will become a matter of public record.

Patrick T. Tierney,
Assistant Director, Bank Advisory,
Office of the Comptroller of the Currency.

Michele Taylor Fennell,
Deputy Associate Secretary of the Board.
Board of Governors of the Federal Reserve
System.

Dated at Washington, DC, on January 13, 2022.

James P. Sheesley,
Assistant Executive Secretary.
Federal Deposit Insurance Corporation.

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